



# Isthmus of Tehuantepec:

Global competitiveness for  
investment and development



GOBIERNO DE  
**MÉXICO**

**RELACIONES EXTERIORES**  
SECRETARÍA DE RELACIONES EXTERIORES



**CORREDOR  
INTEROCEÁNICO**  
ISTMO DE TEHUANTEPEC

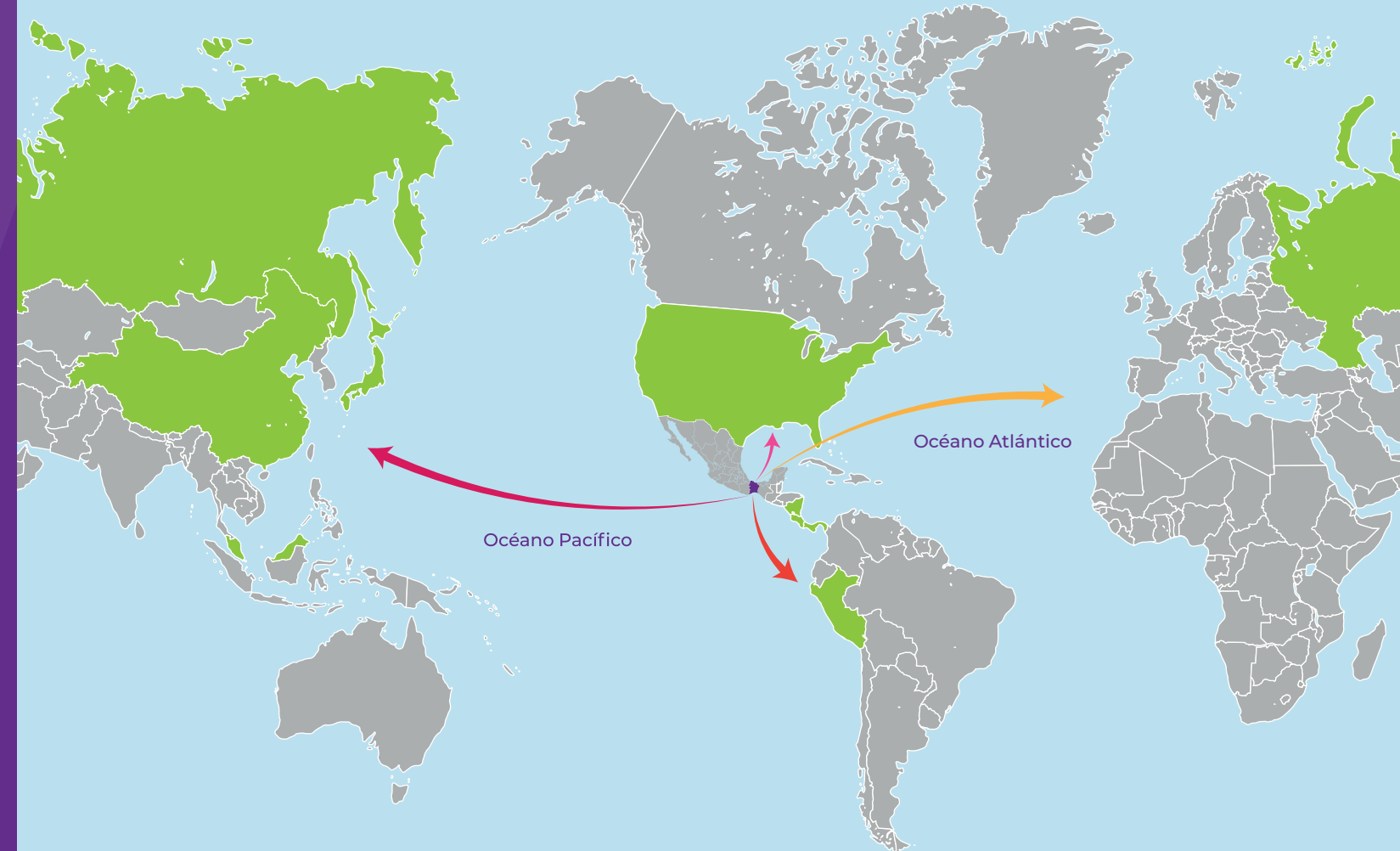


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## ① The Tehuantepec Isthmus in Mexico

Geographic location: strategic and privileged



Mexico has an ideal location for business by connecting the Atlantic Ocean and the Asia-Pacific region thanks to its extended line coast.

It has a market with **potential, human capital, a solid open economy and a competitive business climate.**

The Tehuantepec Isthmus is **the narrowest point in North America**, measuring 300km between the Pacific Ocean and the Gulf of Mexico which makes it a strategic position for interoceanic travels and exporting products within the continent and to the world.

**The Isthmus connects Mexico to the world!**





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# Mexico and the Isthmus

Competitiveness and development region



## The Mexican Economy:

15<sup>th</sup>  
worldwide



1.67%  
of the  
world GDP

2<sup>nd</sup>  
in Latin  
America



5<sup>th</sup>  
of the Trans-Pacific  
Partnership (TPP)

USMCA  
+200 commercial  
partners



13  
commercial  
treaties with  
50 countries



ninth

receiver of direct foreign  
investment in the world

## The Isthmus of Tehuantepec region's



79 municipalities

33 from Veracruz  
and 46 from Oaxaca



Population

of 2.4 million in the region of  
the Isthmus of Tehuantepec



34.6%

of the population belong  
to an indigenous group

## Foreign trade:

461

billion dollars  
in exports

89.2%

of the exports are manufactures, the  
main destinations are



EUA



Canada



Germany



China



korea



Japan



Colombia



Brazil

## Consolidated industrial base:



Automobile



Electronics



Aerospace



Audio and video  
equipment



Medical  
equipment

Only country in Latin America part of the  
top countries that export advanced  
technologies





## Why the Isthmus of Tehuantepec?

Because it is an important region both national and internationally:

Competitive location in the maritime routes and for the development of regional cabotage.

Access to local, national and international markets.

Human, energetic and natural resources available.

Huge potential for industrial development and insertion into value chains.



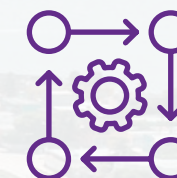
## ③ Isthmus of Tehuantepec Development Program

The Program is supported at the presidential level and by an administration committed to the principles of austerity, honesty and the fight against corruption. The program has two main pillars:

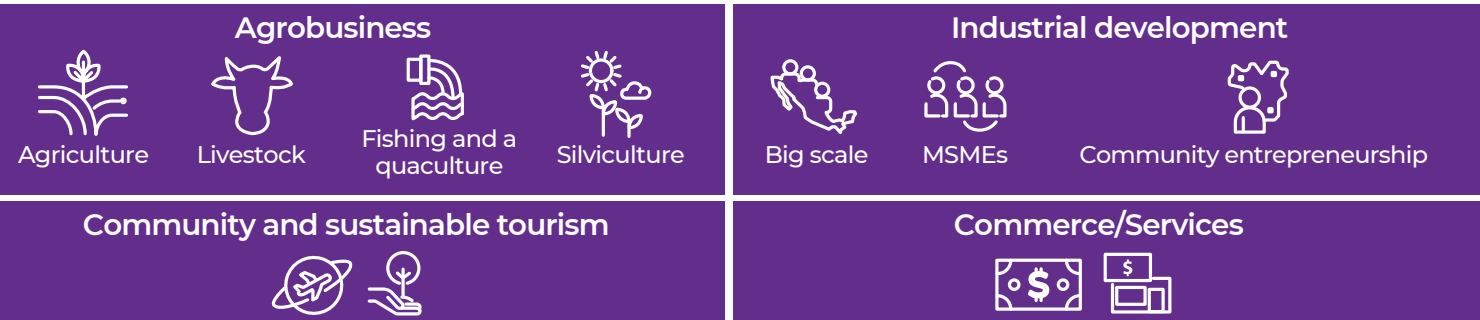
The logistic platform and the strengthening of productive sectors

### Fostering economic development

Position the Isthmus thanks to its strategic advantages, place it as a competitive factor in the regional, national and global economy.

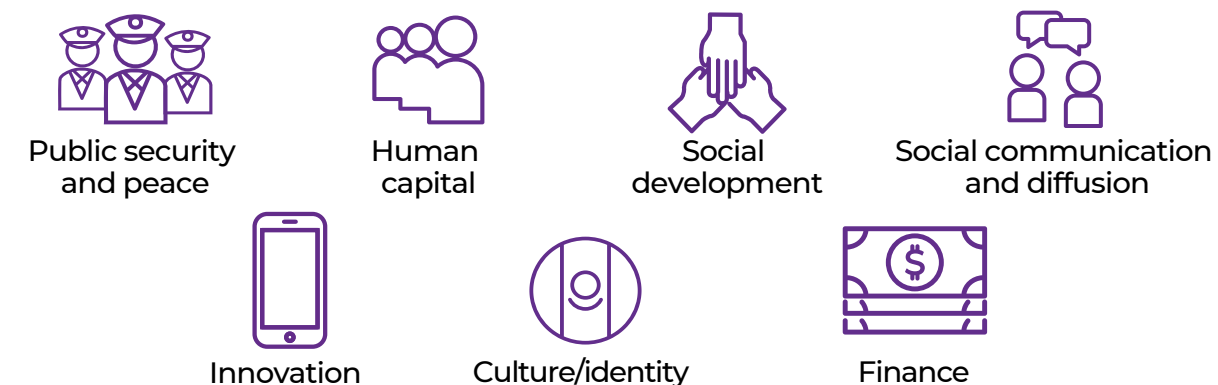


### Strengthening of productive sectors



### Transversal programs

To promote the creation of opportunities and contribute to reinforce the bases of equity, sectoral, cultural, territorial and ecological balance, in the broadest sense of sustainability.



Ecologic ordering

Modernization and infrastructure strengthening

Territorial ordering



# 4 Pillars of the development strategy

Mexico has the second place from Latin America regarding infrastructure quality



## Logistic Platform

The Port of Coatzacoalcas, Veracruz has a strategic location in the Gulf of Mexico. It has preferential access to southeastern United States, markets in Europe and the rest of the continent.

The Port of Salina Cruz, Oaxaca has access to the main markets in Asia, the entire Pacific Rim and the Silk Road.

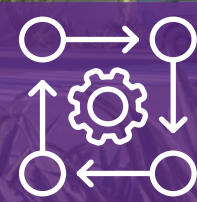
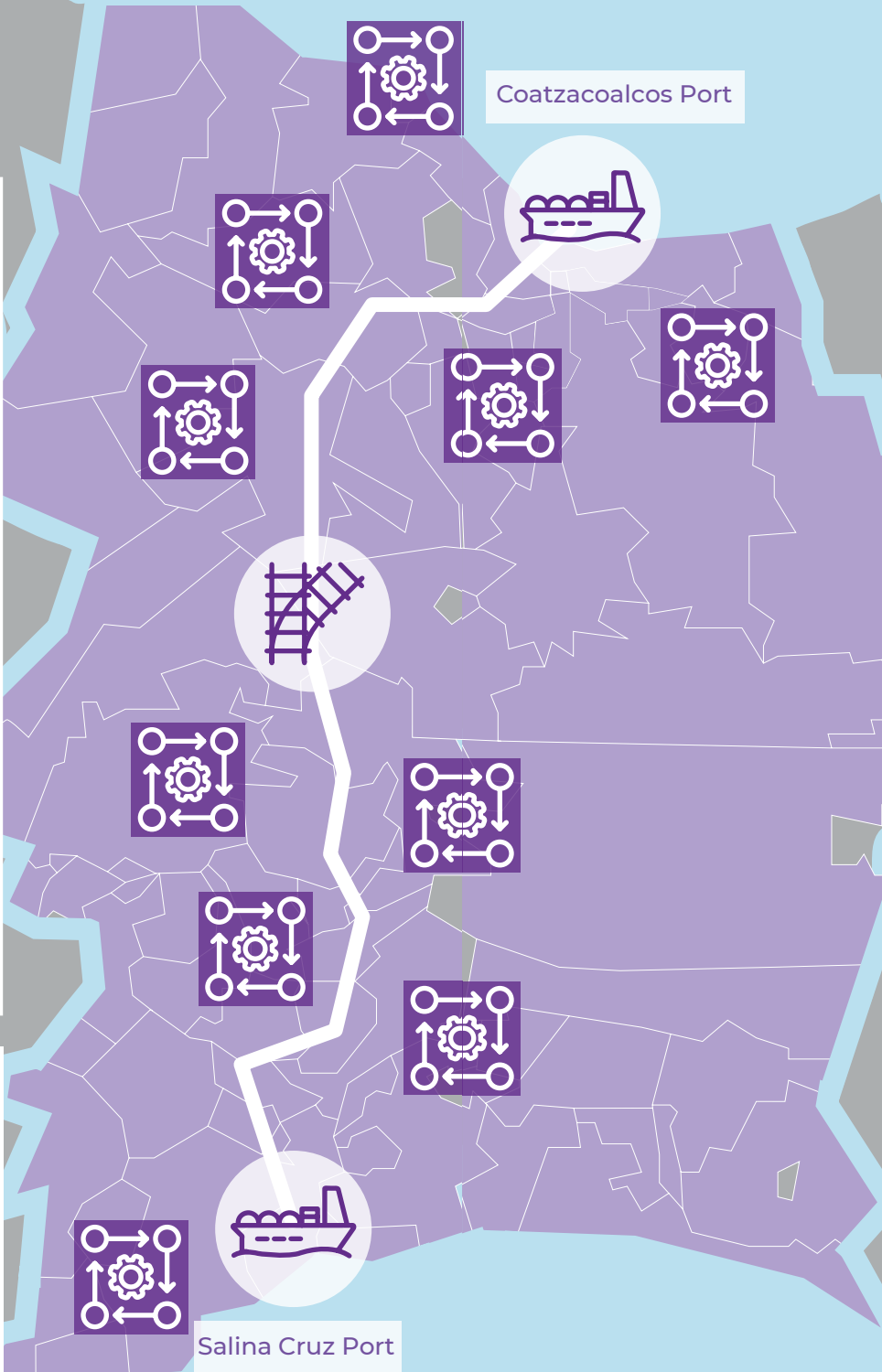
The Isthmus of Tehuantepec Railroad joins the two ports allowing the interoceanic transit of merchandise and the export of local production to the rest of the world.

As complementary infrastructure, the Isthmus has the interoceanic highway that connects the two oceans and the rest of the country.

A gas pipeline will be built to supply natural gas to promote industrial development.

It has 3 airports for connectivity in the area: Minatitlan, Ixtepec and Huatulco.

Optical fiber will be installed along the railway line to guarantee connectivity and broadband throughout the region.



## Industrial Production Ecosystem: Development Poles

To promote an Industrial Production Ecosystem, ten Development Poles will be created:

- Configuration aimed at attracting productive investments.
- Strategic positioning along the Isthmus.
- Ecosystem integration through agglomerations of companies or clusters.
- Link to local vocations and regional productive chains.
- Granting of a scheme of fiscal and non-fiscal incentives.
- Availability of favorable business environment: public security and peace.

### Productive vocations:

- |                     |                         |
|---------------------|-------------------------|
| Agro-industrial     | Petrochemical           |
| Food                | Textile                 |
| Metals              | Chemical                |
| Wood                | Plastic and rubber      |
| Transport equipment | Machinery and equipment |

## 2050 perspective

Increase 16 times the logistic potential of the region

- |               |                                 |                              |
|---------------|---------------------------------|------------------------------|
| 2.920.000 TEU | General cargo<br>3,730,000 tons | Bulk cargo<br>43,300,000 Ton |
|---------------|---------------------------------|------------------------------|

## 2050 perspective

Attraction of an additional 50 billion dollars of investment to the region

- |                                |   |
|--------------------------------|---|
| 1.9 thousand<br>new population | 1.6% additional contribution<br>to Mexico's total GDP |
|--------------------------------|---|



# Port capacity

## Coatzacoalcos

### Phase 1

Operations start in 2022

31

docking positions

### Phase 2

Operations start in 2024



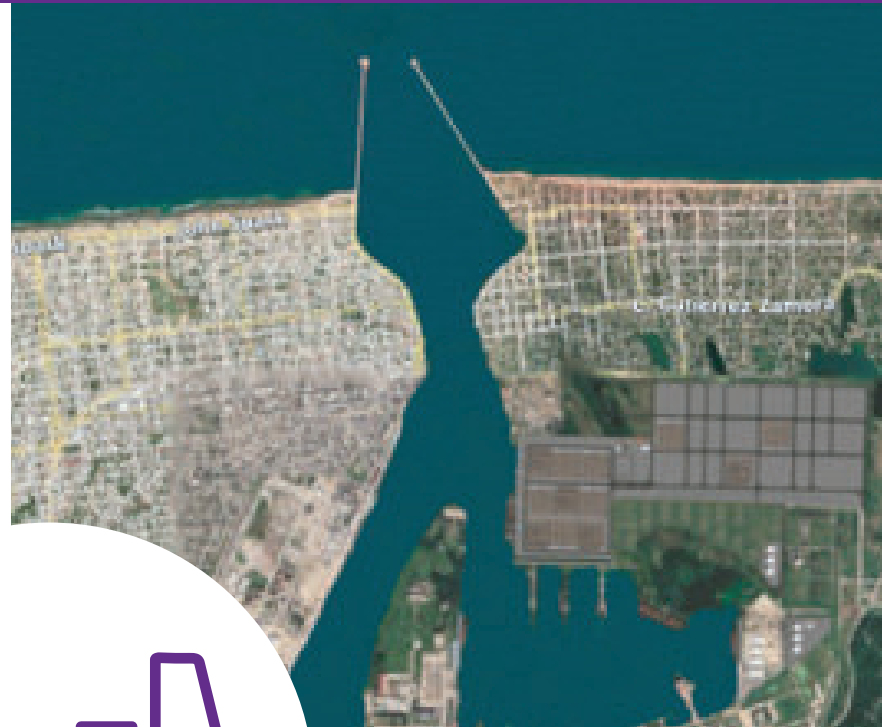
New containers terminal

54,793 m<sup>2</sup>

Total storage area

28.7 millones de Tm

Coatzacoalcos has the 3<sup>rd</sup> place in national cargo



## Salina Cruz

### Phase 1

Operations start in 2022



Multipurpose facilities

### Phase 2

Operations start in 2024

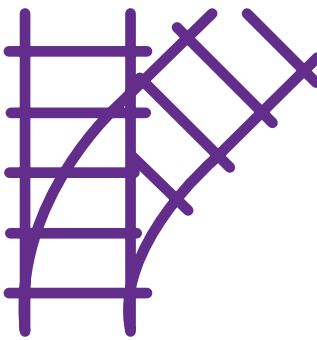
800 m

New terminal of containers with a front of 800 meters



495 m

gas specialized terminal with a front of 495 meters



## Railroad that connects two oceans and Mexico with the world



303 km

Distance of 303 kilometers



2022

Start of operations in 2022



connection

with the Mayan Train and Central America



link

with the railway lines in the center and north of the country

## Competitive advantages

16 m

draft in the current port

VS

21 m

draft in the new port

- Exports from the US West Coast to Europe entering through Salina Cruz, leaving through Coatzacoalcos
- Imports from the West Coast of South America

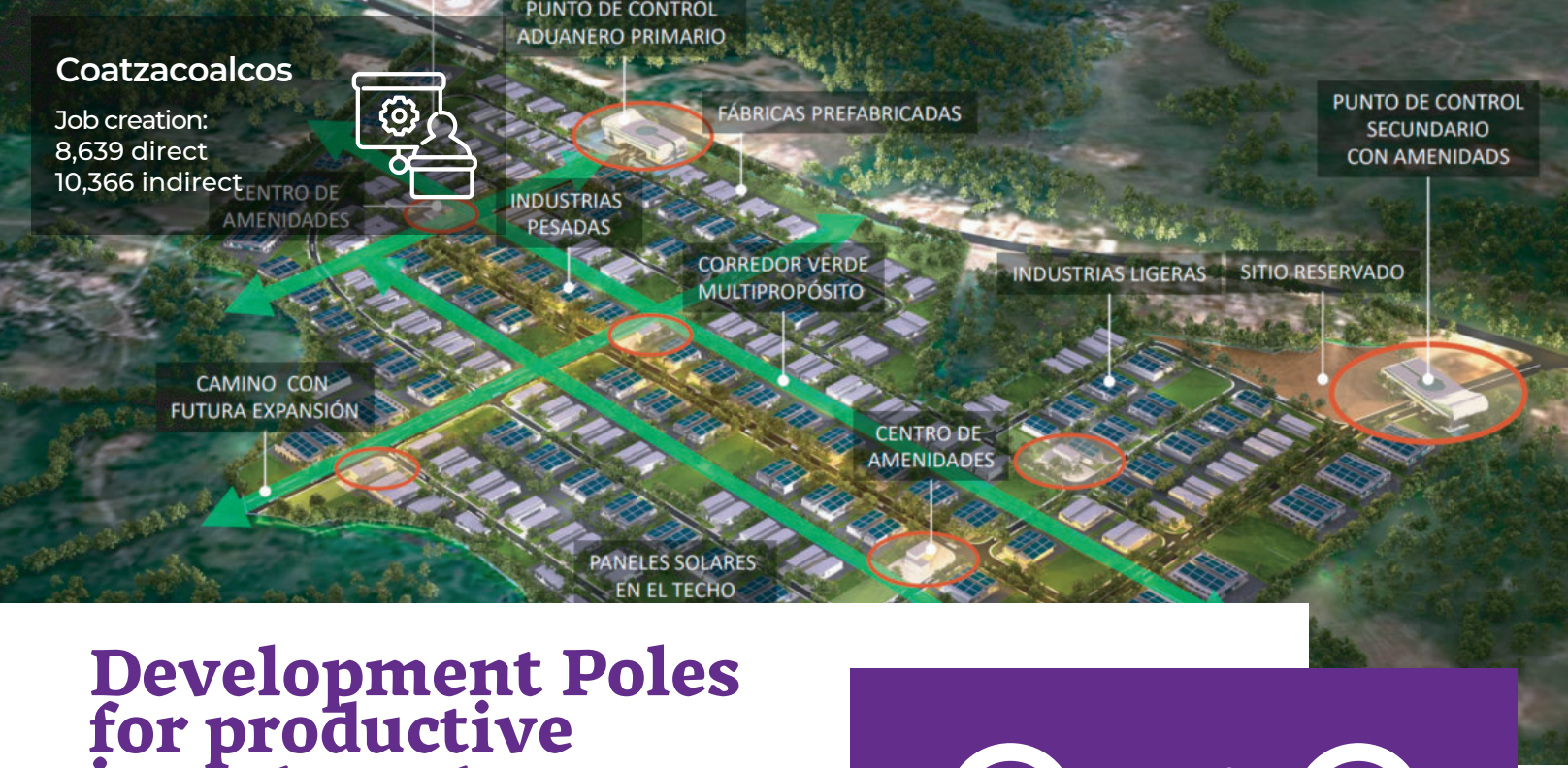
## Connection with USA

Connection with the Central North American Rail system and access to the 25 metropolitan areas of the Central East of the USA through the dedicated *Ferrobucque* service that connects Coatzacoalcos with Mobile, Alabama.



## Coatzacoalcos

Job creation:  
8,639 direct  
10,366 indirect



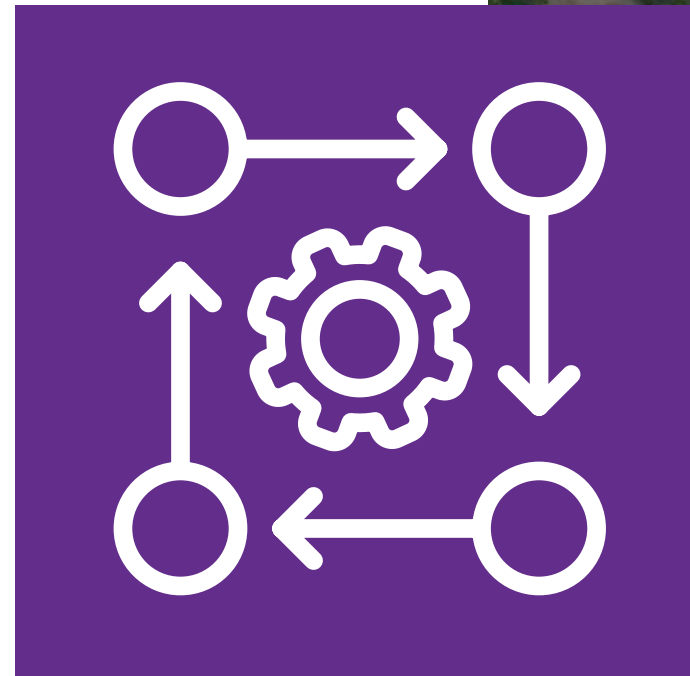
## Development Poles for productive investment

**Extension:** From 82 to 535 Ha.

Spaces within the Isthmus of Tehuantepec will be suitable for the installation of companies and industrial plants, along with basic complementary and financial services.

Insured by the government, they will be assigned to national and international developers.

They will house world-class companies to generate clusters around already identified vocations.



## Salina Cruz

Job creation:  
3,600 direct  
4,320 indirect

## 5 Investment incentives



### We want your business to prosper!

The Program seeks market niches aimed at sustainable development, environmentally friendly, and respecting the cultural diversity of the Isthmus of Tehuantepec.

#### Fiscal benefits:

- ISR and VAT to promote competitiveness.
- Customs facilitation within the Development Poles.
- Foreign trade: Foreign trade taxes or countervailing duties will not be paid.

#### Non-tax benefits:

- Last mile infrastructure.
- Housing, educational and health services, urban development.
- Agile and corruption-free procedures, research and technological development, as well as association and social linkage schemes.
- Single window for agile and corruption-free procedures.
- Security and peace.





## 6 Social and environmental responsibility



## Sustainable development

The Isthmus Program explicitly incorporates the UN Sustainable Development Goals (SDGs) to achieve shared prosperity and poverty reduction, based on strengthening institutions, knowledge, competitiveness and preservation of natural wealth of the Isthmus.

The Isthmus Program is the Federal Government's response to integrate the Isthmus of Tehuantepec with other parts of the country and the world. Based on a new way of understanding development, the areas of opportunity extend throughout the Isthmus territory, in the area between Veracruz and Oaxaca.

As the local population participates the increase in the well-being of the region will be possible.

The success of the Isthmus of Tehuantepec depends on everyone!

The Program will improve the quality of life of 2.4 million people in the region, of which 59% currently live in poverty.

Employment and income opportunities will be provided, which will increase GDP per capita by 240%.

It will promote a process of economic and social growth, inclusive of all groups, compatible with cultural diversity and with local ways of understanding and practicing activities.

A wide consultation was carried out with these groups, with the participation of more than 5,000 representatives, with the accompaniment of the UN, the National Commission for Human Rights, and government agencies at all levels.

The communities gave their free, prior and informed consent for the implementation of the Isthmus Program, which incorporates the needs and orientation of the local population.

